

# Federal Student Loan Repayment Checklist

## Before Graduation:

1. Review your federal loan borrowing history at [studentaid.gov](https://studentaid.gov). Log in using your FSA ID and under your account menu, select "Dashboard".
  - a. Review individual loans for type of loan, interest rate, and interest accrued so far. If you can, try to pay down the interest during your grace period.
  - b. The name of your loan servicer(s) is available in Dashboard as well. Review the contact information for your servicer(s).
2. Create an online account on your loan servicer's website. Get to know where you can submit payments and view your account information. Student loan help is **ALWAYS FREE!** Contact your servicer with any payment questions, do not pay for student loan help.
3. Update your personal information on [studentaid.gov](https://studentaid.gov) as well as your loan servicer's site. It is your responsibility to always update your information anytime your contact information changes!
4. To review different repayment scenarios, try [Loan Simulator](#) to enter estimated income information and estimate what your monthly payment will look like under different repayment plans. \*using the Loan Simulator is NOT a replacement for completing Exit Counseling, just an optional tool to better understand repayment\*
5. **Complete Exit Counseling:** <https://studentaid.gov/exit-counseling/> which is a requirement as part of participating in the Federal Direct Loan Program. Exit counseling will cover repayment, consolidation, and other important loan information. Students with a Perkins loan will receive a separate notification from ECSI/Heartland to complete Perkins Exit Counseling. Please complete promptly once you are notified.

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## After Graduation:

1. Know when you must start making payments. Unsubsidized/Subsidized loans have a 6-month grace period (9 months for Perkins loans) after you leave school. If you previously withdrew, graduated, or fell below half-time for more than 6 (or 9) months, you may have already used up your grace period. Contact your servicer if you have questions about a remaining grace period.
2. Create a budget. Having a budget helps to ensure you are prepared to set funds aside each month to pay your student loan.
3. Set a goal for repayment. Whether you want to pay loans off as quickly as possible, or make sure your monthly payments are affordable, it's important to understand what your repayment goals are, and plan how to achieve them.
4. **Select a repayment plan.** If you do not select a plan, you will be automatically placed in the Standard plan. The Standard Plan is typically a higher monthly payment, as you pay a fixed amount each month to pay your loans off in 10 years. You can contact your loan servicer **at any time** to request a change of repayment plan. Income-based repayment plans will require some additional information, such as income and family size, to determine eligibility and monthly payment amount. About a month before you begin repayment, check with your loan servicer to make sure you are on the repayment plan you prefer.
5. Know if you are eligible for loan forgiveness based on your employer or job (for example, [PSLF](#) or [TLF](#))
6. Decide how you're going to pay. Contact your loan servicer or review your online account to set up autopay for a 0.25% reduction in your interest rate. Autopay allows your servicer to deduct the payment from your bank account each month. If you do not select autopay, make sure you are making your payments on time each month.

## In Repayment:

If you are ever struggling to make your student loan payments, **contact your loan servicer immediately!** Your servicer can help you determine if moving to a different repayment plan or requesting a temporary delay in making payments (deferment or forbearance) can help get you back on track and out of default.

# Federal Student Loan Repayment Glossary

- Consolidation:** A Direct Consolidation Loan allows you to consolidate multiple federal education loans into one loan at no cost to you. This CANNOT be undone, so it's important to work with your servicer to determine if consolidation is the best option to meet your needs/goals.
- Default:** Default is failure to repay a loan according to the terms agreed to in the promissory note. For most federal student loans, you will default if you have not made a payment in more than 270 days. If you default on a federal student loan, you lose eligibility to receive additional federal student aid and you may experience serious legal consequences. Default is reported to credit bureaus and can negatively impact your credit.
- Deferment:** A deferment is a temporary postponement of payment on a loan that is allowed under certain conditions. Generally, interest does not accrue on Direct Subsidized Loans, the subsidized portion of Direct Consolidation Loans, Subsidized Federal Stafford Loans, the subsidized portion of FFEL Consolidation Loans, and Federal Perkins Loans. All other federal student loans that are deferred will continue to accrue interest.
- Delinquent:** A loan is delinquent when loan payments are not received by the due dates. A loan remains delinquent until you make up the missed payment(s) or receive a deferment or forbearance that covers the period when you were delinquent.
- Forbearance:** A forbearance allows you to temporarily stop making your monthly student loan payments or temporarily make smaller payments. Some forbearances are required to be granted by your federal loan servicer; others are offered only at the discretion of your federal loan servicer. Interest is charged on all loan types during a forbearance. You usually will not be making progress toward forgiveness or paying back your loan. If you don't pay interest during forbearance, it may be capitalized (added to your principal balance), and the amount you pay in the future will be higher.
- Loan Servicer:** A company that collects payments, responds to customer service inquiries, and performs other administrative tasks associated with maintaining a federal student loan on behalf of a lender.
- PSLF:** The PSLF Program forgives the remaining balance on your Direct Loans after you have made 120 (10 years) qualifying monthly payments under a qualifying repayment plan, while working full-time for a qualifying employer.
- Subsidized:** A Direct Subsidized Loan is a federal student loan for which a borrower isn't generally responsible for paying the interest while in an in-school, grace, or deferment period.
- TLF/TLFP:** If you teach full-time for five complete and consecutive academic years in a low-income elementary school, secondary school, or educational service agency you may be eligible for forgiveness of up to \$17,500 on your Direct Loan or FFEL Program loans.
- Unsubsidized:** An unsubsidized loan borrowed through the Direct Loan Program offers students a low, fixed interest rate and flexible repayment terms. It is not based on financial need. The borrower is responsible for paying all the accumulated interest, until the loan balance is paid off.